



White: Army Needs Better Business Practices

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WASHINGTON (Army News Service, June 14, 2001) – Secretary of the Army Thomas E. White plans to add business practices to the Army Vision's current pillars of people, readiness and Transformation.

Just shy of two weeks into his new job, the retired Army brigadier general and former corporate CEO made that "on-the-record" announcement during his first meeting with Pentagon correspondents June 12. "I spent 11 years in corporate America with Enron Corporation, an energy company," White said. "...It is very, very clear to me that there is enormous potential to improve the basic business practices of this Department."

To make that improvement, the Army needs to determine what its core responsibilities are and then outsource non-core activities to contractors who can give the Army a better-value proposition and improved service, he said. "We're not just going to study it – we're going to do it," White told the reporters.

While praising the Army's successful efforts to privatize family post housing, White gave other examples where the Army has been slow to contract out. One Army non-core activity, he asserted, is installation utilities. Congress gave permission to the Department of Defense to privatize its gas, electric, water, and sewage plants in 1997. Only one Army post, Fort Hamilton, N.Y., has turned over all its utilities to the corporate world in the ensuing four years, he said.

"Any business that was that slow in taking advantage of an opportunity would not be in business very long, he said. "I see no rea-

son whatsoever why the Army is in the energy business ... It's a stupid business practice for the Army to be running itself that way."

Another Army practice White questioned is that of having two Army staffs working at the Pentagon – one working for the Secretary of the Army and the other for the Chief of Staff.

"My view is that we ought to step back and say there's got to be a better way to run this railroad – to combine these things so that we have one integrated staff that is still under civilian control of the military, but more efficiently uses the people we have than it has in the past," he said. "And that corporate entity aligns better with the Joint Staff on its side of the table and the [Office of the Secretary of Defense] staff on its side of the table."

On the issue of the Army adopting the black beret, White said he fully supports the Chief of Staff's efforts and related how his armored cavalry infantry platoon wore them in Vietnam in 1969. He said surviving members of his platoon will be wearing them again in August when they meet for an 11th Armored Cavalry Regiment reunion at Fort McNair, Washington, D.C.

"There is a long tradition, not only in our Army, but in virtually every NATO army and a lot of other armies around the world, that heavy forces wore black berets," White said. "Any time you stand out on NATO parade fields, you can clearly see that."

The Secretary continued that he would like to see brass plaques on textile mills around

the country that state they make berets for the finest Army in the world. Further, he would like to send young soldiers wearing the black beret out to those mills from time to time so all could take pride in the Army's symbol of Transformation.

Comparing the Army's current Transformation efforts to the Army changing after the Vietnam War, White said today's Army is starting at a much higher readiness level with a more lethal force. A disadvantage is that the Army today faces less certain threats than the Army of the '70s and '80s.

"What I am demanding of the Army is that we have the same total commitment to Transformation that we had back in '72 and '73 — that is not optional," he said. "...If there are any disbelievers or people that don't quite see it that way, then they need to get on board."

Asked about his position on the need for another Congressional Base Realignment and Closure (BRAC) study, White said that he believes there currently is too much infrastructure to support the size of today's Army. However, he warned that the decision for another BRAC should not be made until the Quadrennial Defense Review is complete and the Services have time to determine the force structures they need to support [the QDR] findings. The QDR is expected to be complete by mid-July, he said.

On the subject of technology, White said the Army is behind the civilian sector in applying it to the organizational structure. "The Army has had its same hierarchy of forces — corps, division, brigade, battalion, company — since Napoleon," he explained. "Now along comes information technology. The impact of information technology in the private sector is to flatten organizations, widen spans of control, [and] be more horizontal, because everyone can very easily have the same situational awareness."

The Secretary said he can envision the possibility of the Army doing away with divisions 10 to 15 years from now. Instead, he said the Army might have brigades reporting [directly] to corps or through small mobile corps command posts. The Army has a number of testing facilities, like the National Training Center, which White said will allow the Army to experiment with information technology for command and control now.

White accepted the fact that his views will likely cause a lot of people to get excited, but said that was fine by him, as long as it also caused them to think.

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